

DDI-2046-63

15 July 1963

MEMORANDUM FOR: Mr. Robert Amory, Jr.
Chief, International Division
Bureau of the Budget

SUBJECT : Performance of the Chinese
Communist Economy Below
Expectations at Midyear

1. You may find the attached report an interesting follow-up to an earlier study of Chinese Communist agricultural prospects which I forwarded to you on February 1, "Communist China: Recent Economic Performance and Prospects."

2. It now appears that prospects for many crops are even poorer than predicted, owing to excessive drought, heavy rains, or a combination of the two. This has undoubtedly dampened the cautious optimism with which the Peking regime entered the new year and is probably the major factor in the postponement of the Fourth Session of the Second National Peoples Conference until the last quarter of the year.

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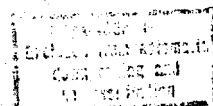
JOY S. CLINE
Deputy Director (Intelligence)

Attachment: CIA/RR CB 63-59
11 July 1963

"Performance of the Chinese Communist
Economy Below Expectations at Midyear"

Identical Memos to: Mr. Roger Hilsman, Asst Sec for FE Affairs, State
Mr. Michael Forrestal, Senior Staff Member, NSC, Exec Office Bldg
Mr. Paul H. Nitze, Asst Sec of Defense for ISA, Defense
Mr. Walt W. Rostow, Counselor and Chairman, Policy Planning Council
State

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